POL. SCIENCE
DEPARTMENT

Five Years of Commission Government in Houston

AN ADDRESS

DELIVERED BY

Mayor H. B. RICE
of Houston

BEFORE THE

Chicago Commercial Club

December 10, 1910

352
R36

Mr. President and Gentlemen of the Commercial Club of Chicago:

I appreciate the invitation extended me by your honorable President to speak upon this occasion. For, aside from the important subject assigned me for discussion, which is claiming the attention not only of my section of the country, but other sections as well, I esteem it an honor to be a guest of an organization which represents one of the greatest cities of modern times, and the best thought of the twentieth century.

The subject that I am to discuss, "The Commission Form of Government of Cities," is not one calculated to inspire flights of oratory or poetical effusion. It deals with the every day problem of human life, the solution of municipal questions, the practical management of our cities for the benefit of all classes of citizens. This agitation and change of our municipal governments, which is gradually spreading throughout the country, is nothing else than an improvement upon old conditions, keeping abreast with our changed business methods, a desire of the people who pay taxes to have their money spent not only in an honest manner, but so as to derive a dollar's value for every dollar expended.

It is universally admitted that, with all our prosperity and progress, with all the splendid resources of this great Republic, and its influence upon the nations abroad, our cities are too frequently misgoverned, extravagantly managed and sometimes systematically plundered. In this particular our "Torch of Liberty Enlightening the World" is not especially brilliant,

And why have we failed so generally in governing our cities? Because, for years the people have left the politicians to govern their affairs—men, who in many cases, had not the capacity necessary to success in private life, but who prey upon the prejudices of the masses for political success and succeed in extracting more money from the public than they ever could earn in private business. They make the public service obnoxious to those who might contribute some of their time and ability to the betterment of municipal conditions.

Tonight I am going to describe to you the form of government that we have way down yonder in Houston, Texas. Then I shall recapitulate what has been done there during the last five years under this form, and let you judge whether we have made a success or a failure.

The essential difference between the form of municipal government which has prevailed in Houston since the passage of the charter of 1905, and the old form of municipal government which has generally prevailed throughout the United States heretofore, are about three.

The substitution of a smaller number of aldermen elected from the city at large in place of a large number of aldermen elected from different wards or subdivisions of the city, vesting of a co-ordinate power in the Mayor as in the City Council to dismiss any officer of the city government, except the Controller, at any time, without cause, and the essential provisions safeguarding the granting of municipal franchises.

Instead of a body of twelve aldermen, elected from different wards of subdivisions of the city, under the Houston system four aldermen are elected from the body of the city by the vote of all the citizens in the same way in which the Mayor is elected. These four aldermen, together with the Mayor, constitute the City Council or legislative department of the city government. The executive power is vested in the Mayor, but by an ordinance for the administration of the city's affairs, a large portion of executive or administrative power is subdivided into different departments, and a committee is placed over each department, and one of the four aldermen nominated by the Mayor is what is known as the active chairman. The Mayor and all four aldermen are members of each committee. The active chairman of the committee practically has control of the administration of the department, unless his views upon the matter are overruled by the whole committee; but by the organization of the committees the active chairman does his work to a certain extent under the supervisory direction of the Mayor, who is in the last analysis the head of each committee and the person in whom the executive power of a municipal government ultimately rests.

Under the old system of government, by which twelve aldermen were elected from as many different precincts of the city, it frequently resulted that very unfit men came to represent certain wards in the City Council. Now, unless a man has sufficient standing and reputation to be known throughout the body of the city as a fit man for the office of alderman, he will not be elected.

Again, each alderman under the present system represents the whole city, and is responsible to the whole city. Under the old system the conduct of public business was continually obstructed by a system of petty log rolling going on among and between the representatives of the numerous subdivisions of the city. Then the smallness of the number of aldermen affords opportunity for the transacting of business.

An executive session is held previous to each meeting of the City Council, at which most matters to come before the Council are discussed and determined. Again, the small number of aldermen enables the city administration, on any and all matters of importance, to act as a unit. In other words, the system makes it possible to administer the affairs of the city in a prompt and business-like way.

Here is one of, if not the strongest, point in the commission form of government. You all know that if there is any other thing more than another that a citizen desires from his local government, it is action, whether favorable or unfavorable.

In the City of Houston, with a majority of the aldermen always in session, business of the people can be and is attended to at a moment's notice. To show the practical application of this system, there is really no need of petition to the City Council at their regular weekly meetings.

Any citizen or citizens who want a street paved, taxes adjusted, nuisances abated, etc., have only to call at the Mayor's office and have his or their matters promptly adjusted. After a hearing, the matter is decided

by the Council, in presence of the applicant; and to the credit of our people, I will state the matter is ended after such, whether action was favorable or unfavorable. How unlike the slow, red tape form of doing business in many of our cities.

For instance, the petition to the City Council, referred to a committee, committee acts when convenient, then a report to the Council, and after action of the Council up to the Mayor; then, after the Mayor acts, to some one else for execution.

The great masses of the people do not pay taxes for any such treatment; they want their affairs promptly adjusted, and they are going to have it so.

To demonstrate, I will cite an incident that happened several months ago. A gentleman, a non-resident of Houston, whose home was in a Western State, owned some property in our city, and the property had been recently taken into the city limits. Investigating his assessment, he found that his property had been placed at a much higher valuation than that of his neighbor's. Being a stranger, he called upon one of Houston's leading attorneys and asked his advice how to proceed for relief. The attorney suggested that they step over to the Mayor's office and have the matter corrected. The owner of the land thought that it would be wiser for the lawyer to get some of his friends to sign a petition to the Council, so that it would have some weight with the authorities. The attorney replied that this mode of procedure was entirely unnecessary, as Houston now had a business-like government. They called at my office, stated their mission. I sent for the tax collector, and in an hour the stranger had his matter adjusted and his tax receipt in his pocket. The owner of the land said that if the case had been in his city it would have taken weeks for adjustment, on account of the red tape in existence.

The second essential point of difference in the city charter is the fact that any officer of the city, except the aldermen, who are elect-

ed for a term of two years, and except the Controller, who is appointed for a term of two years, and subject to removal by the Council only for cause, may be removed from office at any time at the will of the Mayor, or may be removed from office at any time at the will of the Council. Under the Houston system, the City Attorney does not refuse to collect taxes, and say to the city government that he is not in favor of collecting taxes and was elected by the people and is responsible to them. Under the Houston system the Chief of Police does not refuse to enforce the criminal ordinances of the city and give the same excuse for declining to do so. Under the Houston system the Tax Collector can not arbitrarily select what persons he is to exempt from the payment of taxes, and inform the government that the people elected him, and that he is responsible to the people. The Mayor, under the Houston system, is the responsible head of the government. If things are permitted to go wrong, it is his fault, and if any officer of the city declines or refuses to enforce the law, the Mayor can remove him in five minutes' time. Under this system of government it is important that the people should elect a Mayor who is a man of good sense and good character. When the people have done so, the Mayor will not have to be, as under the old system, a helpless spectator of wanton disregard of law and mal-administration. The whole idea of the Houston system is to have a responsible head to the government of the city, elected by the people.

Under the Houston charter, the power of the Mayor is very great. As stated before, with the exception of the Controller and aldermen, every employe of the city can be discharged at a moment's notice by the Mayor. What is the result of this power, as shown in Houston? A harmonious, systematic corps of employes performing their duties. Each and every one of them working for the interest of the city; for, if they do not, they know some-one else will occupy their places who will do their duty.

This unusually great power given one man has been frequently criticised; some argue that it is undemocratic, and some that it is dangerous.

Answering the first criticism, I will state that nothing can be undemocratic which comes directly from the people and answers directly to the people. The second objection, as being dangerous, I say no honest man or good man will abuse the power vested in him, and a bad man should not be elected by a people who want good government.

Why did the people of Houston ask the Legislature of Texas for such a city charter, making what some are pleased to call "A One-Man Government?" Because, for years and years, under the old system they had seen nothing but political bickering and their taxes squandered.

Debt after debt was being created and nothing to show for the moneys paid into the treasury. At the time of the charter adoption the people of Houston were in that frame of mind to accept any form or kind of change in their government, knowing full well that they could do nothing worse than to continue what they had.

At the inauguration of the commission government in July, 1905, we subdivided the departments of the city and placed at their respective heads the commissioner who seemed best qualified to manage a certain department. And in doing so gave them each the power and authority vested in the Mayor. This act has proven most beneficial. As a rule, each commissioner takes a deep interest in his department, has it well organized and manages the same as any well-regulated business concern. There is very little friction at any time. While the elective officers of the city are all Democrats, belonging to that party, which is so dominant in Texas, the commission does not confine their employes to any one political party, but selects men for their fitness. We have a great many good business men in Houston who are Republicans in politics and pay

large taxes to the support of the government. We try to make our local government a non-partisan one, and endeavor to act for the masses.

For instance, on the School Board of Houston, the Democrat, the Republican, the Israelite and the Christian all sit together without compensation and ably manage our school affairs. We legislate for no class. Union labor and non-union labor both work for the city. We never inquire whether any employe is union or non-union, but we do insist upon every employe understanding that the City of Houston comes first and his organization second. If a commissioner of the city discharges one of his employes in his department, the action is final. An appeal to the Mayor will do no good, for as long as the head of the department manages and works conscientiously for the city, the Mayor sustains him and leaves him with absolute authority. This causes the employe to respect the head of his department, and hence we have little or no trouble. So it is with the police. The Council selects a Chief of Police and holds him responsible for the conduct of his men. No alderman can appoint a man on the police force. The selection of all policemen is left to the Chief of Police. He alone can appoint. By this method politics in the force is obliterated. The men look up to and respect the head of their department, for a Chief of Police without authority would mean no discipline, no respect for duty.

The commission government in Houston has obliterated politics from the public schools. The School Board is nominated by the Mayor and confirmed by the Council. They in turn select a School Superintendent. The teachers are selected for their fitness. No alderman can even suggest the name of a teacher to the Board. All we have to do is to supply the revenue to maintain the schools. Our connection with the administration of the schools begins and ends here.

You may ask now, what has your government done to improve the moral condition of Hous-

ton? We have wiped out public gambling; we have obliterated the pool room, which has caused the downfall of so many unfortunate young men; we have forced the saloons of Houston to obey the laws of Texas, mainly to close their places of business upon the Sabbath day; we have confined the unfortunate women to one territory, where they will not come in contact with and pollute the presence of purity; we have abolished variety theaters.

The third and most important departure of the Houston charter is in the matter of municipal franchises. I will state briefly the main features of the franchise provisions, and anyone familiar with municipal affairs will at once see their value.

No franchise can be granted for a longer period than thirty years, unless same is submitted to a vote of the legally qualified voters of the City of Houston and approved by them. The expense of this election must be borne by the person applying for the franchise. If a majority of the votes is favorable, the franchise may be granted in the form as submitted, but can not in any case be granted for a period longer than fifty years.

The City Council may, on its own motion, submit any ordinance granting a franchise to the vote of the people of the city.

If a franchise be granted for a period of thirty years, or less, the proposed franchise shall be published in the form in which it is finally passed and shall not thereafter be changed, once a week for three consecutive weeks, at the expense of the applicant. And, if at any time within thirty days after its final passage, a written petition is presented to the Council signed by at least 500 legally qualified voters of the city, then such franchise must be submitted to an election of the people to determine whether or not it shall be granted.

No franchise in the streets, highways, thoroughfares or property of the City of Houston shall ever be granted until it has been read at three regular meetings of the Council.

No franchise shall be granted unless the ordinance granting same provides for adequate compensation or consideration therefor to be paid to the City of Houston, and in addition to any other form of compensation, the grantees shall pay annually such a fixed charge as may be prescribed in the franchise.

Every grant of a franchise shall provide that on the termination of the grant the property of the grantee in the streets, avenues or other public places shall thereupon, without compensation or upon the payment of a fair valuation therefor, become the property of the City of Houston, and in estimating such value the value derived from the franchise, or the fact that it is or may be a going concern shall not be considered in determining the value.

Every grant of a franchise shall provide, by forfeiture of the grant or otherwise, for efficiency of public service at reasonable rates, and to maintain the property in good order.

The city may inspect and examine, at reasonable hours, any books or accounts of the grantee of a franchise, which books or account shall be kept and reports made in accordance with the forms prescribed by the City Council.

The charter reserves the right in the City of Houston to regulate the rates of all public utility corporations.

It is to be noted that by the Constitution of Texas, no person can vote unless, prior to February 1st of the year in which he offers to, he has paid, in person, his poll tax. This provision eliminates many persons who would abuse the suffrage. Of course, in a community where unrestricted manhood suffrage prevails, with no checks or restriction on same, the chances for the successful operation of a municipal government like that of the City of Houston would not be as good as in the State of Texas.

We have in our charter what is called the referendum. That is, if 500 qualified voters of the city petition the Council to call an election to determine the granting of any particular franchise, it is incumbent upon the Council to do so.

Some cities which have adopted the commission form of government have placed in their charter "the initiative, the referendum and the re-call."

In my opinion, the "re-call" is an inheritance of populism, and has no place in a business government. It is a difficult matter to induce good men to give up their personal interests and work for the public good. The term of office in Texas is two years.

This is such a short period that a Mayor and aldermen hardly have the opportunity to prepare plans and systematize the government before their term of office expires.

Far better for a community would it be for them to say to their elective officers, "we have chosen you for two years to manage our affairs, and will give you our entire support, and if at the end of your term you have made good, we will retain you in your present office; if not, we will elect other managers." With the re-call held over a man's head it would be impossible to outline a definite policy and adhere to it, and if men can not accomplish results they will not care to serve.

Having discussed the cardinal features of the Houston charter, I will give you a synopsis of what has been accomplished in little over five years of commission management.

Inaugurated in July, 1905, the present government found a floating debt of over $400,000 and an empty treasury. The city virtually had no credit. There was not a single merchant that desired to transact any business with the local government.

However, gloomy as the prospect was, the authorities went about their task with the determination to better conditions.

Useless and expensive offices were abolished, some consolidated. A national bank was made treasurer of the city, allowing a salary of only $50 per month for clerk hire and the bank to pay interest on all balances to the credit of the city.

The City Attorney was instructed to institute and file suits for all delinquent taxes. This

caused to flow into the treasury nearly $100,000 in eight months, from this source alone.

By the strictest economy we redeemed in the first eight months of our term $306,202.47 of the old floating debt, besides paying our monthly bills promptly, as well as the salaries of all employes.

By this time merchants of the city were anxious to do business with the city local government, and credit was restored, not only at home, but abroad. In the five years of commission rule the City of Houston has wiped out all floating debt and has given to the taxpayers out of the treasury without the issuance of a single bond, the following permanent improvements:

City Attorney, Law Library	$ 974.10
Assessor and Collector, Block Book System	10,000.00
City Hall, Furniture and Fixtures	1,123.67
Police Department	4,096.03
Fire Department, Buildings and Equipment	66,150.45
Electrical Department	26,551.21
Health Department	6,168.26
Parks	52,007.53
Streets and Bridges	65,714.10
Asphalt Plant	3,000.00
Auditorium	332,276.02
Ship Channel	98,027.40
Sewers	85,212.18
Paving Streets	179,261.96
Water Department, Extension of Mains and Improvement	247,932.02
Wharves and Slips	33,109.89
School Buildings	340,323.65
Total Improvements	$1,865,757.17

Extraordinary Expenses.

Storrie Certificates	$ 73,300.00
Refund Paving Certificates	120,308.70
Sinking Fund	120,220.00
Making a Grand Total	$2,179,585.87

paid out of current revenues, besides the elimination of the floating debt, amounting to over $400,000.

While these improvements have been going on, the tax rate has been reduced 30 cents on the $100.

I call your attention to the fact that during more than five years of this government in Houston, no alderman or commissioner has ever made a speech or addressed the Council. The business of the city is conducted daily like any other business concern, and when they meet in public session on Monday afternoon, conformably to law, it is merely to legalize and make record of their weekly business transactions. The length of the public meetings ranges from five to fifteen minutes.

In 1905 the price of gas was $1.50 per thousand. We have only manufactured gas in Houston; today it is $1.05, and next year $1.00, and the company pays one per cent annually upon its gross receipts. In 1905 the price of arc lights was $80 per year; now it is $70 per year. The telephone companies claimed that they did not need a franchise from cities in Texas, yet we made them conform to the law, and they pay one per cent to the city upon their gross receipts.

In 1906 the City of Houston purchased the water plant from a private corporation called the Houston Water Works Company, and paid the sum of $901,000 for same. The source of supply is artesian wells in the heart of the city. At the time of purchase the private corporation was charging 50 cents per thousand meter rate for water, and often pumping from the stream which flows through Houston, thus not giving to the community pure water.

Today under municipal ownership the City of Houston charges only 15 cents per thousand gallons for water, on a meter basis, and it is all from artesian wells and absolutely pure. The plant is worth, today, three times its cost to the city. The Street Car Company pays annually one per cent upon its gross receipts,

has more than doubled its facilities and will compare favorably with any other electric system in the country. The tax rate has been reduced from $2.00 to $1.70. The real taxable value of Houston is about $250,000,000. We assess same at $62,000,000. Personal property is seldom if ever taxed, and that largely at the option of the assessed.

The total revenues from all sources up to date, in the five years, amounts to $6,579,683.08; adding to that the revenue which will be collected between now and the last of the fiscal year, about $650,000, we have a total of $7,229,000.

From the tabulated statement above you will see that after deducting the running expenses of the government, we have placed more than thirty-one per cent in permanent improvements, something that the property holder can see for his taxes.

You will notice that we redeemed $400,000 of floating debt during the first year of commission government. I have received many inquiries from all parts of the country, asking how this was accomplished, and I have invariably stated it was through economy, and not squandering the public revenue. This is due to the fact that under our charter a city official must represent all the people, and not any one class.

We have increased the salaries of the school teachers, firemen, policemen and some employes who have worked for years and been faithful and efficient. The City of Houston assessed its property holders in 1905, $37,000,000. As I have said before, it is now $62,000,000. This is an increase in five years of $25,000,000, over one-half of which is building permits. The city has grown in five years fully forty per cent of its entire population, and land values have enormously increased during that time. After years of study and experience I find that nothing will bring forth the energies and progress of a people so much as a municipal government that fights for business methods, who

are progressive themselves and demonstrate to the taxpayers that they are going to have a "day's work for a day's pay." Houston is a practical demonstration of this. In 1905 everyone was "down in the mouth," building had stopped, and men of means refused to make any improvements.

Mark the change: Since 1905 magnificent buildings have been and are being erected. Miles and miles of pavement, sewers (both sanitary and storm), have been and are being constructed, and today we can truthfully state that no city in the South has made such advancement in that time.

It is true that the census gives us about 80,000 people, but we know that we are the largest city in Texas. We confine ourselves to only sixteen square miles of territory, when right up against us are over twenty thousand human beings, who earn their daily bread in Houston, but were not counted among our citizens. We care not so much to herald throughout the land our population, but rather the business that we do, our bank deposits, our manufacturing interests, our seventeen railroads, and our great waterway to the gulf—an asset which, for all time to come, means a prosperous and growing city.

3 0112 098219121